

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

NOTICE OF BIG RIVERS)
ELECTRIC CORPORATION)

CASE NO. 7917

NOTICE OF BIG RIVERS ELECTRIC CORPORATION PURSUANT TO KRS 276.180, 278.190 AND RELATED STATUTES AND 807 KAR 5:005, SECTION 9, AND RELATED SECTIONS, 807 KAR 5:025, SECTIONS 5 THROUGH 8, AND RELATED SECTIONS, AND 807 KAR 5:075, SECTION 1(2) AND (12) AND RELATED SECTIONS, THAT ON AUGUST 21, 1980, IT WILL:

- (1) CHANGE ITS RATES FOR ELECTRIC SERVICE;
- (2) REVISE ITS FUEL ADJUSTMENT CLAUSE BASE; AND
- (3) DELETE ITS PURCHASED POWER ADJUSTMENT CLAUSE.

AMENDMENT TO JANUARY 21, 1981, RATE ORDER HEREIN

This cause having come for consideration on the motion of Big Rivers Electric Corporation ("Big Rivers") to clarify and amend the Commission's Order of January 21, 1981, herein, to establish that Big Rivers' rates for electricity are not established or approved on the basis of rate of return, and

The Commission having considered such verified motion, the exhibits and testimony filed therewith,

IT IS THEREFORE ORDERED that:

1. Big Rivers' rates for electricity as established and approved in the Commission's Order herein of the 21st day of January, 1981, were not established or approved on the basis of a fair return on Big Rivers' investment in providing electric service.

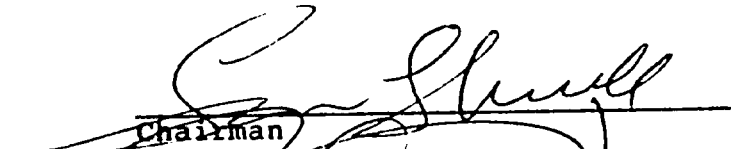
2. All references in the said rate Order of the 21st day of January, 1981, to the rate of return on net investment were for the purpose of permitting comparison between the rates established and approved for Big Rivers and those established and approved for investor-owned utilities.

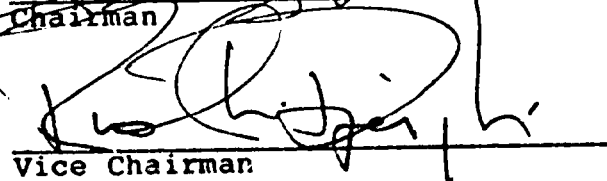
3. The Commission establishes and approves rates for Big Rivers for the purpose of ensuring adequate service to Big Rivers' patrons, and on the basis of those rates which are required to produce revenues sufficient to meet its cost of service as approved by the Commission, and on the basis of such other factors as are necessary to establish fair, just, reasonable, and nondiscriminatory rates.

4. Nothing stated herein shall limit the Commission in considering all elements of value and cost of service items in future rate proceedings.

Done at Frankfort, Kentucky, this 2nd day of November ,
1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary